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18 The People of the State of California

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20 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

21 **COUNTY OF LOS ANGELES**

22 THE PEOPLE OF THE STATE OF
23 CALIFORNIA,

24 Case No.: **24STCV15416**

25 Plaintiff,
26 v.
27 VLADYSLAV YUROV, an individual,
28 SKYSUN LLC, a California limited liability
company,
ANASTASIIA MEDVEDEVA, an individual,
HUGS & SMILE, INC., a California
corporation,
MARI MELADZE NAGI, an individual, and
DOES 1-50, inclusive,

29 **COMPLAINT FOR INJUNCTIVE
30 RELIEF AND CIVIL PENALTIES FOR
31 VIOLATION OF CALIFORNIA'S
32 UNFAIR COMPETITION LAW (CAL.
33 BUS. & PROF. CODE §§ 17200, ET SEQ.)**

34 [VERIFIED ANSWER REQUIRED
35 PURSUANT TO CODE OF CIVIL
36 PROCEDURE SECTION 446]

37 Defendants.

The People of the State of California (“People” or “Plaintiff”) bring this civil law enforcement action against Defendants Vladyslav Yurov, Skysun LLC (“Skysun”), Anastasiia Medvedeva, Hugs & Smile, Inc. (“Hugs & Smile”), Mari Meladze Nagi, and Does 1 through 50, inclusive (collectively, “Defendants”), for violations of the California Unfair Competition Law.

INTRODUCTION

1. For more than three-and-a-half years, as the City of Los Angeles (the “City”) has suffered through a calamitous housing crisis, Defendants have conspired to run an unlawful short-term rental enterprise in the City and neighboring jurisdictions. While the City’s renters and other residents have struggled with insufficient housing stock, unaffordable rents, and increasing homelessness, Defendants have exacerbated the crisis by removing units from the long-term rental market in order to illegally enrich themselves.

2. In doing so, Defendants violated, and continue to violate, the City's short-term rental ordinance on a massive scale—they have offered, advertised, booked, engaged in, and facilitated the short-term rental (rentals for 30 consecutive days or fewer) of properties without required City-issued registrations (including rent stabilized units that are categorically ineligible for legal short-term rental), thousands upon thousands of times.

3. Defendants' scheme took the form of "short-term rental arbitrage"—Defendants leased properties from owners on a long-term basis, and then rented them out short-term on Airbnb and other online platforms. Yurov is a vocal proponent of the business model, regularly extolling the "virtues" of this unlawful business practice in social media posts (where he styles himself as an Airbnb "influencer") and running an Airbnb "Hosting Academy," through which clients pay Yurov to teach them his business model and methods.

4. Defendants' short-term rental business has been enormously fruitful, as they have reaped millions of dollars from their illegal conduct. Yurov has regularly bragged in social media posts that his Airbnb arbitrage business makes him hundreds of thousands of dollars a month.

5. Defendants' business is also permeated with fraud. In order to facilitate and conceal their illegal short-term rental enterprise, Defendants lied to and defrauded, among others,

Airbnb guests and potential guests, the owners of various properties they short-term rented, and Airbnb itself.

6. Specifically, and among other frauds they perpetrated, Defendants misrepresented the locations of their short-term rental properties on Airbnb as being in jurisdictions outside of the City—for example, describing City properties as being in West Hollywood or Glendale. This deception was aimed at covering up Defendants’ illegal conduct, by creating the false impression that Defendants’ properties were not subject to the City’s short-term rental ordinance, as well as fraudulently inducing guests to book properties they believed to be in more desirable areas. Only after a guest completed a booking would Defendants reveal the real location via a message through the Airbnb app, often explaining that use of the false cover address was due to “a licensing problem in Los Angeles.”

7. Despite Yurov and Skysun having been served with cease-and-desist notices by the People, and assuring prosecutors that they were abandoning illegal short-term rentals, Defendants have continued their unlawful conduct. Defendants have moved the short-term rentals of some of their properties to other Airbnb accounts in an effort to hide their ongoing illegality from the People. Defendants removed other listings from Airbnb but allowed already-booked short-term rentals to go forward, including, on information and belief, some as recently as May 2024.

8. Defendants' illegal and fraudulent actions constitute unlawful, unfair, and fraudulent business practices and unfair, deceptive, untrue, or misleading advertising in violation of California's Unfair Competition Law ("UCL"). The People now seek an injunction and civil penalties to put a stop to these practices, to ensure that Defendants cannot flagrantly violate the short-term rental ordinance or defraud consumers in the future, and to deter Defendants and others from engaging in such unlawful conduct.

PARTIES

9. Plaintiff the People is the sovereign power of the State of California (Gov. Code § 100). The People bring this civil law enforcement action by and through Los Angeles City Attorney Hydee Feldstein Soto, pursuant to the authority granted under the UCL, California

1 Business and Professions Code sections 17204 and 17206(a).

2 10. Yurov is an individual residing in Los Angeles County in the State of California.
3 Yurov is a Ukrainian national. Yurov is the managing member of Skysun LLC and has referred
4 to himself as Skysun's "founder" and "CEO." Yurov is also the chief executive officer, chief
5 financial officer, and secretary of Hugs & Smile. Yurov has directed Skysun's and Hugs &
6 Smile's illegal business acts and practices described herein. At all relevant times, Yurov has
7 transacted business in California, including in Los Angeles City and County.

8 11. Medvedeva is an individual residing in Los Angeles County in the State of
9 California. On information and belief, Medvedeva is a Russian national. Medvedeva is the
10 registered agent for service of process for Hugs & Smile. At all relevant times, Medvedeva has
11 transacted business in California, including in Los Angeles City and County.

12 12. Nagi is an individual residing in Los Angeles County in the State of California.
13 Nagi is a Georgian national. Since an unknown date, but at least as early as May 2022, Nagi has
14 transacted business in California, including in Los Angeles City and County.

15 13. Skysun is a California limited liability company with its principal place of
16 business in Los Angeles County. At all relevant times, Skysun has transacted business in
17 California, including in Los Angeles City and County.

18 14. Hugs & Smile is a California Corporation with its principal place of business
19 located in Los Angeles County. At all relevant times, Hugs & Smile has transacted business in
20 California, including in Los Angeles City and County.

21 15. None of the Defendants has ever had a Business Tax Registration Certificate
22 issued by the City.

23 16. The true names and capacities of the Defendants sued herein as Does 1 through
24 50, inclusive, are unknown to the People, and the People therefore sue these Defendants by such
25 fictitious names. When the true names and capacities of these Doe Defendants have been
26 ascertained, the People will seek leave of this Court to amend this Complaint to insert in lieu of
27 such fictitious names the true names and capacities of the fictitiously named Defendants.

17. The People allege that all of the acts and omissions described in this Complaint were duly performed by, and attributable to, all Defendants, each acting as the agent, employee, alter ego, and/or under the direction and control of the others, and such acts and omissions were in the scope of such agency, employment, alter ego, and/or direction or control.

18. Defendants have engaged in a conspiracy, common enterprise, and common course of conduct, the purpose of which was and is to engage in the violations of law alleged in this Complaint. The conspiracy, common enterprise, and common course of conduct continue to the present.

19. Yurov formed, used, and continues to use Skysun as a mere instrumentality and conduit through which, for his convenience, he has conducted and continues to conduct and manage his illegal short-term rental business. There has been and is a unity of interest between Yurov and Skysun, which is merely an alter ego of Yurov.

20. Yurov and Medvedeva formed, used, and continue to use Hugs & Smile as a mere instrumentality and conduit through which, for their convenience, they have conducted and continue to conduct and manage their illegal short-term rental business. There has been and is a unity of interests between Yurov and Medvedeva and Hugs & Smile, which is merely an alter ego of Yurov and Medvedeva.

JURISDICTION AND VENUE

21. The Superior Court has original jurisdiction over this action pursuant to Article VI, section 10 of the California Constitution, which grants the Superior Court original jurisdiction over all causes other than those specifically enumerated.

22. The Superior Court has personal jurisdiction over Yurov pursuant to California Code of Civil Procedure section 410.10 because he is a resident of California, because he purposely avails himself of the benefits of doing business in California, and because the violations of law alleged herein occurred in California in whole or in part.

23. The Superior Court has personal jurisdiction over Medvedeva pursuant to California Code of Civil Procedure section 410.10 because she is a resident of California, because she purposely avails herself of the benefits of doing business in California, and because

1 the violations of law alleged herein occurred in California in whole or in part.

2 24. The Superior Court has personal jurisdiction over Nagi pursuant to California
3 Code of Civil Procedure section 410.10 because she is a resident of California, because she
4 purposefully avails herself of the benefits of doing business in California, and because the
5 violations of law alleged herein occurred in California in whole or in part.

6 25. The Superior Court has personal jurisdiction over Skysun pursuant to California
7 Code of Civil Procedure section 410.10 because Skysun conducts business in the State of
8 California and purposely avails itself of the benefits of doing business in California, and because
9 the violations of law alleged herein occurred in California in whole or in part.

10 26. The Superior Court has personal jurisdiction over Hugs & Smile pursuant to
11 California Code of Civil Procedure section 410.10 because Hugs & Smile conducts business in
12 the State of California and purposely avails itself of the benefits of doing business in California,
13 and because the violations of law alleged herein occurred in California in whole or in part.

14 27. Venue is proper in the Los Angeles County Superior Court pursuant to California
15 Code of Civil Procedure sections 393 and 395.5 because the cause, or some part of the cause,
16 arose in Los Angeles County and liability arises from Defendants' conduct in Los Angeles
17 County.

18 **THE UNFAIR COMPETITION LAW**

19 28. California's Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.*
20 prohibits "unfair competition," which "mean[s] and include[s] any unlawful, unfair or fraudulent
21 business act or practice." (Cal. Bus. & Prof. Code § 17200.) The UCL also proscribes "unfair,
22 deceptive, untrue or misleading advertising and any act prohibited by" the False Advertising
23 Law. (*Id.*, citing Cal. Bus. & Prof. Code § 17500 *et seq.* ("FAL").)

24 29. "By proscribing any unlawful business practice, section 17200 borrows violations
25 of other laws and treats them as unlawful practices that the unfair competition law makes
26 independently actionable." (*Cel-Tech Commc'n's., Inc. v. L.A. Cellular Tel. Co.* (1999) 20 Cal.
27 4th 163, 180, internal quotations omitted.) "Virtually any law—federal, state or local—can serve
28 as a predicate for a [UCL] action." (*State Farm Fire & Cas. Co. v. Super. Ct.* (1996) 45 Cal.

1 App. 4th 1093, 1102-03.) Thus, a violation of the STR Ordinance constitutes a violation of the
2 UCL. Similarly, a violation of the FAL violates the UCL.

3 30. In addition, the UCL prohibits “three varieties of unfair competition – acts or
4 practices which are unlawful, unfair, or fraudulent.” (*People v. Johnson & Johnson* (2022) 77
5 Cal. App. 5th 295, 316, quoting *Cel-Tech*, 20 Cal.4th at p. 180.)

6 31. The UCL empowers the Los Angeles City Attorney to file a civil law enforcement
7 action on behalf of the People of the State of California against any “person” who engages, has
8 engaged, or proposes to engage in unfair competition. (See Cal. Bus. & Prof. Code §§ 17203,
9 17204, 17206.) The UCL defines “person” to “mean and include natural persons, corporations,
10 firms, partnerships, joint stock companies, associations and other organizations of persons.”
11 (Cal. Bus. & Prof. Code § 17201.)

12 32. The UCL provides that “[a]ny person who engages, has engaged, or proposes to
13 engage in unfair competition may be enjoined in any court of competent jurisdiction” and that
14 “[t]he court may make such orders or judgments, including the appointment of a receiver, as may
15 be necessary to prevent the use or employment by any person of any practice which constitutes
16 unfair competition.” (Cal. Bus. & Prof. Code § 17203.)

17 33. The UCL further provides that in connection with a civil law enforcement action
18 on behalf of the People of the State of California, including those brought by the Los Angeles
19 City Attorney, “[a]ny person who engages, has engaged, or proposes to engage in unfair
20 competition shall be liable for a civil penalty not to exceed two thousand five hundred dollars
21 (\$2,500) for each violation.” (Cal. Bus. & Prof. Code § 17206(a).)

22 34. The “remedies or penalties [under the UCL] are cumulative to each other and to
23 the remedies or penalties available under all other laws of this state.” (Cal. Bus. & Prof. Code §
24 17205.)

25 **THE CITY’S SHORT-TERM RENTAL ORDINANCE**

26 35. Driven by internet-based platforms like Airbnb, short-term rentals—rentals for 30
27 consecutive days or fewer—have proliferated in the City in recent years. Short-term rentals have
28 grown beyond individual homeowners and tenants supplementing their income by renting out

1 space in the homes they occupy. Defendants and others like them have built entire business
2 models around letting out homes on a short-term basis that have no primary resident, thereby
3 converting rental units and single-family homes into *de facto* hotels.

4 36. In December 2018, in an effort to limit the negative consequences of short-term
5 rentals—reduction in housing stock, nuisance activity, and negative impacts on LA
6 neighborhoods’ residential character—the City enacted Los Angeles Ordinance No. 185,931
7 (“STR Ordinance”). The STR Ordinance went into effect on July 1, 2019, and the City began
8 enforcing its provisions on November 1, 2019.

9 37. The STR Ordinance amended the Los Angeles Municipal Code (“LAMC”) to add
10 provisions regulating “Short Term-Rentals.” A “Short-Term Rental” is defined as a rental unit,
11 “rented in whole or in part, to any Person(s) for transient use of 30 consecutive days or less.”
12 (LAMC § 12.22(A)(32)(b)(11).) Short-term rental activity allowed by and legally conducted
13 pursuant to the requirements of the STR Ordinance is called “Home-Sharing” in the language of
14 the Ordinance. (LAMC § 12.03.) Eligible property owners and renters (with the written
15 permission of the landlord) are allowed to engage in Home-Sharing of their primary residence
16 pursuant to and in accordance with the STR Ordinance. (LAMC § 12.22(A)(32)(c)(2).)

17 38. The STR Ordinance prohibits any person from offering, advertising, booking,
18 facilitating, or engaging in short-term rental activity in a manner that does not comply with the
19 STR Ordinance. (LAMC § 12.22(A)(32)(d)(1).)

20 39. The STR Ordinance provides that hosts may *only* offer their primary residence—
21 defined as the residence in which the host resides for more than six months of the calendar
22 year—for short-term rentals, and prohibits the operation of more than one short-term rental unit
23 at a time in the City. (LAMC §§ 12.22(A)(32)(b)(9), (c)(2).)

24 40. Properties subject to the Rent Stabilization Ordinance are not eligible for Home-
25 Sharing under the STR Ordinance, and accordingly may not be legally short-term rented.
26 (LAMC §§ 12.22(A)(32)(c)(2)(ii)(b).)

27 41. The STR Ordinance requires eligible hosts to submit an application, pay an
28 application fee, and obtain a registration number (“HSR number”) from the City’s Department of

1 City Planning before engaging in short-term rentals. All advertisements for short-term rentals
2 must clearly list the host's City-issued registration number, and hosts may not engage in short-
3 term rentals for more than 120 days in a calendar year unless the host obtains a separate
4 Extended Home-Sharing registration from the City.

5 42. Hosts must also pay a per-night fee to the City for each night of short-term rental,
6 and collect Transient Occupancy Taxes from their guests and remit them to the City. (LAMC §§
7 12.22(A)(32)(d), (e).)

8 43. The STR Ordinance defines a "Person" as an "individual, firm, partnership, joint
9 venture, association, social club, fraternal organization, joint stock company, corporation, estate,
10 trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a
11 unit." (LAMC § 12.22(A)(32)(b)(7), LAMC § 21.7.2(a).)

DEFENDANTS' UNLAWFUL, UNFAIR, AND FRAUDULENT BUSINESS PRACTICES

Violations of the STR

14 44. Since late-2020, Defendants have been engaged in an ongoing conspiracy to
15 advertise and book for short-term rental properties located in the City in ways that violate the
16 STR Ordinance and the UCL—including, but not limited to, advertising and making available
17 for booking unregistered properties and properties ineligible for legal short-term rental because
18 they are subject to the RSO.

19 45. All told, Defendants have illegally advertised and booked for short-term rental
20 more than 30 properties in the City since 2020, including at least ten properties subject to the
21 Rent Stabilization Ordinance, as well as properties in nearby jurisdictions like Santa Monica. As
22 to each of the properties, Defendants took their property interest in 2020 or later.

23 46. Defendants' business is short-term rental arbitrage—they leased numerous
24 properties from owners or tenants on a long-term basis for the specific and express purpose of
25 converting them into short-term rentals. Defendants then rented the properties out for 30 days or
26 fewer via online platforms. Yurov and/or Skysun are named tenants in most of Defendants'
27 leases with property owners. Medvedeva, Hugs & Smile, Nagi, and others are also listed as
28 tenants on various leases for City properties that Defendants have short-term rented.

1 47. However, on information and belief, none of the properties has ever been the
2 permanent residence of any of the Defendants. During the period of Defendants' leases, the
3 properties lacked any permanent resident, and instead operated as full-time short-term rental
4 units. Airbnb transaction records reflect that Defendants' properties were rented out short-term
5 nearly every day for months on end. In a six-month period in 2023, for example, one of
6 Defendants' City properties was short-term rented for 170 out of 183 nights, including every
7 night but one in the months of April, July, August, and September.

8 48. Defendants primarily conduct their business—advertising and booking properties
9 for short-term rental—on Airbnb. Defendants have also illegally offered, advertised, and booked
10 properties for short-term rental on VRBO.com and Booking.com.

11 49. Defendants have advertised their properties for short-term rental through Airbnb
12 "listings"—publicly-accessible webpages on Airbnb.com dedicated to individual rental
13 properties. Potential guests can find listings by searching for available rental properties in a
14 particular area.

15 50. Defendants' listings have rarely included the property's City-issued HSR
16 Number, as required by the STR Ordinance. For the vast majority of Defendants' properties, it
17 would have been impossible for the listings to do so, as the properties have never had an HSR
18 Number. Defendants have illegally advertised their short-term rentals without clearly including
19 a valid HSR Number in violation of the STR Ordinance and the UCL for thousands and
20 thousands of days, across nearly 100 listings.

21 51. Defendants have also booked for short-term rental properties without HSR
22 Numbers, including RSO properties, thousands of times for many thousands of nights in
23 violation of the STR Ordinance and the UCL.

24 52. On Airbnb, Defendants have primarily operated their short-term rental business
25 through the host account with the username "Kyrylo," available at
26 <https://www.airbnb.com/users/show/313024239>. The user account is under the name "Kyrylo
27 Kutuzov," despite, on information and belief, no one with that name having any presently known
28 involvement in Defendants' short-term rental business. Yurov has admitted that he controls the

1 account, and the email address used to manage the account is Yurov's.

2 53. Payouts from Airbnb for short-term rentals through the "Kyrylo" account totaling
3 more than \$4 million went to bank accounts belonging to Yurov, SkySun, and Medvedeva.
4 Payouts for a small number of transactions in late-2021 also went to "Halyna Yurova"—who is,
5 on information and belief, related to Yurov. None of the payouts went to "Kyrylo Kutuzov."
6 Additionally, none of the leases for any of Defendant's short-term rental properties are in the
7 name of "Kyrylo Kutuzov."

8 54. Defendants also used an Airbnb account with the username "Anastasia" to
9 conduct their illegal short-term rental business. In the guise of a property manager or co-host,
10 Defendants would field property inquiries, provide check-in instructions, and answer guests'
11 questions or complaints using the Anastasia account.

12 55. Defendants also used other Airbnb accounts in their enterprise, including the host
13 account with the username "Lubov," available at
14 <https://www.airbnb.com/users/show/375121309>. Defendants sent and received emails relating to
15 the management of the Lubov account using Yurov's email address. After the City Attorney
16 served Yurov and Skysun with cease-and-desist notices regarding their short-term rental
17 activities, Defendants took down a number of listings from the Kyrylo account in an effort to
18 create the false appearance that they were complying with the law. In reality, Defendants put up
19 new listings on the Lubov account for several of the properties, and continued to advertise and
20 book them for short-term rental.

21 56. Defendants have also unlawfully advertised and booked for short-term rental City
22 properties on Airbnb using a host account controlled by Nagi with the username "Maka,"
23 available at <https://www.airbnb.com/users/show/128370633>.

24 57. Through the Kyrylo Airbnb account, alone, Defendants have violated the STR
25 Ordinance and UCL more than ten thousand times. On information and belief, they have also
26 violated the STR Ordinance and UCL through their short-term rental activities on other Airbnb
27 accounts and through other online rental platforms.

1 58. Defendants have advertised and booked for short-term rental units in apartment
2 buildings in violation of leases that specifically and explicitly prohibit them from doing so. For
3 example, Defendants have short-term rented, and continue to short-term rent, multiple units in
4 Marina Tower, a rent-stabilized building located in the City's Venice neighborhood at 415
5 Washington Blvd, Marina Del Rey, CA 90292, without the landlord's consent and in violation of
6 their leases' prohibitions on subletting. They have done the same with multiple units in the
7 Alessio, an apartment complex located near LAX in Southwest Los Angeles at 5720 and 5780 W
8 Centinela Ave, Los Angeles, CA 90045. Defendants have also illegally short-term rented a unit
9 in the Circa Apartments, located next to Crypto.com Arena in downtown Los Angeles at 1200 S
10 Figueroa St, Los Angeles, CA 90015, pursuant to a sublease with a tenant whose primary lease
11 prohibits subletting. Through their advertising and booking for short-term rental of these
12 properties alone Defendants have violated the STR Ordinance and UCL thousands of times.

13 59. Defendants also operate a website at www.skysunliving.com, where they
14 advertise "Fully-Furnished Rental Properties For Working Professionals." The website has listed
15 and continues to list for rent a number of City properties that Defendants have also illegally
16 short-term rented on Airbnb. On the website, Defendants fraudulently identify several of the
17 properties as located in neighboring jurisdictions, like West Hollywood and Culver City.

18 60. The website offers monthly rates for Skysun's properties based on the number of
19 bedrooms (e.g., \$3,500 to \$5,200 per month for a one-bedroom unit), and allows would-be guests
20 to submit rental inquiries regarding available properties.

21 61. A link to Skysun's Instagram account appears at the bottom of the website.

22 62. Defendants were well-aware that their short-term rental activities were and are
23 illegal. At various times, Yurov, Medvedeva, and Nagi all applied, unsuccessfully, for HSR
24 Numbers, including as to properties referenced herein. In doing so, they falsely represented that
25 they permanently resided in properties that Defendants actually used as full-time short-term
26 rentals. Defendants also induced others to file applications for Home-Sharing Registrations by
27 falsely claiming that the applicants permanently resided at properties that Defendants used full-
28 time for short-term rentals.

Defendants' Fraud And False Advertising Re Property Locations

63. In an effort to induce guests to book their units, as well as disguise their misconduct from the City and from landlords that did not allow subleases, Defendants falsely advertised and fraudulently misrepresented the locations of their rental properties. Defendants provided false addresses for their properties to Airbnb, and falsely identified their properties as located in jurisdictions neighboring the City in Airbnb listings. Through these false and misleading advertisements, acts, and practices, Defendants violated the UCL thousands of times.

64. In furtherance of their scheme, Defendants and others working with them and at their direction offered, advertised, booked, facilitated, and engaged in the short-term rental of the following properties located in the City, among others, and attempted to conceal their illegal conduct using the following fraudulent property addresses, among others:

Real Property Address	Fraudulent Property Address(es)
415 Washington Boulevard, Unit 607, Marina Del Rey, CA 90292	4201 Via Marina, Marina Del Rey, CA 90292 13902 Fiji Way, Marina Del Rey, CA 90292
415 Washington Boulevard, Unit 1104, Marina Del Rey, CA 90292	3601 Esplanade, Marina Del Rey, CA 90292
415 Washington Boulevard, Unit 1108, Marina Del Rey, CA 90292	4201 Via Marina, Marina Del Rey, CA 90292
5780 Centinela Avenue, Unit 320, Los Angeles, CA 90045	6400 Shenandoah Avenue, Los Angeles, CA 90056 6625 Green Valley Circle, Culver City, CA 90230
5720 Centinela Ave, Unit 423, Los Angeles, CA 90045	6400 Shenandoah Avenue, Los Angeles, CA 90056 6625 Green Valley Circle, Culver City, CA 90230
2239 Benedict Canyon Drive, Beverly Hills, CA 90210	1143 Summit Drive, Beverly Hills, CA 90210
1301, 1303, and 1305 N Citrus Avenue, Los Angeles, CA 90028	1200 North La Brea Avenue, West Hollywood, CA 90038
2425 Solar Drive, Los Angeles, CA 90046	1243 North Genesee Avenue, West Hollywood, CA 90046
8357 Yucca Trail, Los Angeles, CA 90046	1327 Havenhurst Drive, West Hollywood, CA 90046
12113 Ocean Park Boulevard, Los Angeles, CA 90064	4201 Via Marina, Marina Del Rey, CA 90292

1	1200 S Figueroa Street, Unit W1726, Los Angeles, CA 90015	1908 Gardena Avenue, Glendale, CA 91204 2031 E 27th Street, Vernon, CA 90058
2	6702 Camellia Avenue, North Hollywood, CA 91606	2026 N Clybourn Avenue, Burbank, CA 91505
3	6225 Ben Avenue, North Hollywood, CA 91606	2113 N Dymond Street, Burbank, CA 91505
4	1002 N Hudson Avenue, Units 1-4, Los Angeles, CA 90038	2174 Galleria Way, Glendale, CA 91210 889 Americana Way, Glendale, CA 91210 8933 Dorrington Avenue, West Hollywood, CA 90048 928 N Ogden Drive, West Hollywood, CA 90046
5	8057 Fareholm Drive, Los Angeles, CA 90046	241 S Central Avenue, Glendale, CA 91204 7617 Lexington Avenue, West Hollywood, CA 90046
6	1807 Nichols Canyon Road, Los Angeles, CA 90046	658 Americana Way, Glendale, CA 91210 8933 Dorrington Avenue, West Hollywood, CA 90048
7	15721 Stare Street, Los Angeles, CA 91343	668 S Workman Street, San Fernando, CA 91340
8	854 and 856 N Orange Drive, Los Angeles, CA 90038	7253 Santa Monica Boulevard, West Hollywood, CA 90046
9	908 N Hudson Avenue, Los Angeles, CA 90038	928 N Ogden Drive, West Hollywood, CA 90046
10	945 N Oxford Avenue, Unit 5, Los Angeles, CA 90029	928 N Ogden Drive, West Hollywood, CA 90046
11	3115 Strong Drive, Unit B, Marina Del Rey, CA 90292	4201 Via Marina, Marina Del Rey, CA 90292
12	4750 S Lincoln Boulevard, Marina Del Rey, CA 90292	4201 Via Marina, Marina Del Rey, CA 90292

21 65. Only after a guest booked the property, and Airbnb sent the guest a confirmation
 22 email including the fake cover address and collected payment for the reservation did Defendants
 23 reveal their bait-and-switch—disclosing the property’s true location via a message on the Airbnb
 24 platform. These messages, sent from the “Kyrylo” and “Anastasia” Airbnb accounts as well as
 25 others, frequently explained to confused guests that the address change was due to “a licensing
 26 problem” in Los Angeles.

27 66. Guests sometimes learned of the deception too close to the planned stay to cancel
 28 with a full refund, and were instead forced to battle with Defendants, and sometimes Airbnb

1 itself, for a refund when they did not want to stay at the real location. Or guests learned of the
2 fraud only after it was too late to book alternative accommodations, or to do so economically.

3 67. For example, one family traveling from out of state booked a property that
4 Defendants' listing falsely represented to be located in Burbank, California. After the stay was
5 reserved and payment collected, Defendants revealed that the property was actually located in
6 the City's North Hollywood neighborhood. The guests arrived to the real address with their
7 small children to find unhoused people sleeping on the lawn, broken locks on the doors, and
8 unlocked windows. Concerned for their family's safety, the guests left the property and paid a
9 premium to check into a hotel at the last minute. Defendants initially refused to return the
10 guests' money, and ultimately agreed to a refund only after the guests threatened to report
11 Defendants' conduct to law enforcement.

12 68. Defendants even used false addresses for the few City properties they short-term
13 rented that had an HSR Number for any portion of the relevant period. They did so in order to
14 conceal, among other things, that Defendants short-term rented such properties far in excess of
15 the 120-day limit for legal Home-Sharing under the STR Ordinance. For example, Defendants
16 short-term rented one such property for 200 nights (out of 255 total) in an eight-and-a-half month
17 stretch in 2023.

18 69. On February 22, 2024, an investigator for the City Attorney's Office booked a
19 one-night stay at a property listed on Airbnb by Defendants through the Kyrylo account. The
20 listing stated that the property, "Sunset studio in Marina Del Rey," was located in Marina Del
21 Ray, California, an unincorporated section of Los Angeles County that is not in the City. A map
22 embedded in the listing indicated that the property was located directly on, or immediately next
23 to, the Marina Del Rey harbor.

24 70. After booking the stay, the investigator was taken to an Airbnb screen confirming
25 the reservation. The screen identified the address of the property as "4201 Via Marina, Marina
26 Del Rey, CA 90292." The investigator also received a confirmation email from Airbnb
27 identifying the property's address as 4201 Via Marina.

71. Shortly after completing the booking, however, the investigator received a message from Defendants' Kyrylo account stating that the "exact address" of the property was "415 Washington Blvd, Marina Del Rey"—the address of Marina Tower, a rent-stabilized building in Venice.

72. Approximately 30 minutes later, Defendants again sent a message from the Kyrylo account, providing a link to a Google document with “instruction[s] for your self check in.” The first page of the instructions includes the 415 Washington Blvd address, along with a picture of the front entrance of Marina Tower.

73. The instructions direct guests, complete with pictures and arrows, to a utility pole in the alley behind Marina Tower. The instructions provide the code to open one of two lock boxes attached to the pole. Inside the lock box is a key to access the elevator in Marina Tower. Defendants use the other lock box for another illegal short-term rental unit in the building.

74. The instructions then direct guests to apartment 607 in Marina Tower (again with pictures and arrows), and provide information about (among other things) parking, wi-fi, and check out procedures. They tell the guest to direct any questions to “Anastasia, [the] property manager,” and provide a phone number.

75. Knowing that Marina Tower prohibited tenants from short-term renting their units on Airbnb, Defendants' instructions warn guests "Do not knock on the leasing office. They can cause you problems."

76. The last page of the instructions includes a link to Skysun's Instagram account, "@skysun.living," and asks guests to "[f]ollow us on Instagram for your future stays."

77. Airbnb transaction records reflect that the payout for the investigator's stay went to Yurov's bank account.

Defendants' Other Unlawful, Unfair, or Fraudulent Conduct

78. To further and conceal their illegal short-term rental enterprise, Defendants committed numerous other frauds and misrepresentations, which independently violated the UCL and other laws.

1 **I. Submission of Fraudulent Rental Applications**

2 79. Defendants knowingly and intentionally submitted, or caused to be submitted,
3 rental applications containing false representations in order to induce the landlord to enter into
4 residential leases and give Defendants possession of units in Marina Tower, which Defendants
5 intended to, and did, then illegally rent out short-term, as follows:

6 a. On October 12, 2020, Defendants submitted or caused to be submitted a
7 rental application falsely identifying the prospective tenant as “Nikolay Murov” via an online
8 portal on the Marina Tower website. Defendants listed as part of the applicant information an
9 email address that Yurov has used elsewhere in Defendants’ short-term rental business. The
10 false name was necessary because the landlord’s background check would have likely revealed
11 that Yurov was an officer and director of Hugs & Smile, which had previously been a named
12 Defendant in an unlawful detainer action.

13 b. On October 8, 2020, Defendants submitted or caused to be submitted a
14 rental application falsely listing the prospective tenant as “Anastasiya Dobychina” via an online
15 portal on the Marina Tower website, listing Medvedeva’s cell phone number and email address
16 as part of the applicant information. The false name was necessary because the landlord’s
17 background check would have likely revealed that Medvedeva had previously been a named
18 defendant in an unlawful detainer action. The address provided on the application was a Santa
19 Monica address at which Medvedeva and Yurov previously resided and/or that they short-term
20 rented. The application identified the management company for the address as “Mercury
21 Living.” In October 2019, Medvedeva registered “Mercury Living CA LLC,” with the Secretary
22 of State, and in November 2022, she incorporated and registered “Mercury Living CA,” a
23 domestic corporation. The application identified “Nikolay” as the emergency contact, and
24 provided Yurov’s cell phone number as contact information.

25 c. Defendants submitted the fraudulent “Nikolay Murov” and “Anastasiya
26 Dobychina” rental applications from the same IP address.

27 80. The fraudulent rental applications induced the landlord to lease units in Marina
28 Tower to Defendants in reliance on Defendants’ false representations. After fraudulently taking

1 tenancy to units in Marina Tower based on Yurov’s and Medvedeva’s false applications,
2 Defendants immediately began advertising and booking the units for short-term rental on Airbnb
3 in violation of the STR Ordinance and their leases. Medvedeva also used 415 Washington Blvd,
4 Unit 1104, as the address of her businesses in various filings with the Secretary of State.

5 81. Nagi also leased a unit in Marina Tower, beginning in May 2022. Immediately
6 after she took tenancy, Defendants began advertising and booking the unit for short-term rental
7 with the Kyrylo Airbnb account in violation of the STR Ordinance, the UCL, and Nagi’s lease.
8 As Nagi was paying the security deposit and first month’s rent and furnishing her Marina Tower
9 unit in May 2022, Yurov transferred nearly \$10,000 from Skysun’s bank account to Nagi. In
10 July 2022, Defendants paid Nagi’s rent on the unit out of Skysun’s bank account.

11 **II. Submission of False and Fraudulent Claims for Reimbursement to Airbnb**

12 82. Defendants also submitted false and fraudulent claims to Airbnb for payment
13 under the Aircover program, which reimburses hosts for certain damage to property, furnishings,
14 or belongings caused by guests.

15 83. Under Aircover’s terms, reimbursement is limited to “Eligible Accommodations,”
16 defined to mean an accommodation “that is (i) owned or legally controlled by [the Airbnb host]
17 during the period of the Responsible Guest’s stay at such Accommodation and (ii) listed by [the
18 host] on the Airbnb Platform.” In order to be eligible for reimbursement, a host “must not have
19 misrepresented any facts or committed fraud or any other dishonest or deceptive act in
20 connection with the booking of the Eligible Accommodation or the preparation or submission of
21 any past or present payment request under [the Aircover] Host Damage Protection Terms. Any
22 such misrepresentation, fraud, dishonest or deceptive act by [the host], will result in denial of all
23 pending payment requests [and] immediate termination” of the host’s eligibility for Aircover
24 damage protection.

25 84. To request payment under Aircover, a host must sign and submit a form affirming
26 that “all of the information” provided to Airbnb in connection with the claim is “true and
27 complete.” Defendants knowingly and intentionally transmitted or caused to be transmitted to
28 Airbnb Aircover forms falsely signed “Kyrylo Kutuzov”—the name on Yurov’s Airbnb

1 account—on numerous occasions, including but not limited to on December 5, 2022 and April
2 24, 2023. The fraudulent forms were transmitted via the internet to Airbnb, including from
3 Yurov’s email account. Defendants transmitted the forms to induce Airbnb to provide payments
4 to Defendants under the Aircover program to which Defendants were not entitled, and the forms
5 did so induce Airbnb to reimburse Defendants in reliance on Defendant’s false representations.

6 85. In order to receive reimbursement under Aircover, a host must also provide
7 invoices or receipts reflecting any amounts paid to repair or replace damaged property.
8 Defendants knowingly and intentionally submitted fraudulent damages invoices and purchase
9 order summaries, which Defendants entirely fabricated or materially altered, and which were in
10 the name of “Kyrylo Kutuzlov” and often listed the false cover addresses for Defendants’
11 properties, to Airbnb in order to obtain payments to which Defendants were not entitled. The
12 fraudulent invoices and order summaries did so induce Airbnb to provide payments to
13 Defendants to which they were not entitled in reliance on Defendants’ false representations. The
14 fraudulent invoices and order summaries were transmitted via the internet to Airbnb, including
15 from Yurov’s email account.

16 86. In videos posted to Instagram, Yurov explains how he submits claims and
17 receives payments under the Aircover program. One video clearly shows Yurov submitting a
18 claim using the “Kyrylo” account. In the same video, Yurov brags that he has “many [Aircover]
19 claims created” and that he “usually get[s] \$2 to 4 thousand a month just in [Aircover] claims.”

20 87. Defendants’ submission of false and fraudulent invoices and order summaries to
21 Airbnb includes, but is not limited to, the following:

22 a. On May 26, 2022, Defendants transmitted or caused to be transmitted to
23 Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from
24 PaintCoPro to “Kyrylo Kutuzov” at “6400 Shenandoah Ave, Los Angeles, CA 90056”—an
25 address that Defendants falsely claimed to be the location of a City property in order to conceal
26 their illegal short-term rental of the property.

27 b. On December 21, 2022, Defendants transmitted or caused to be
28 transmitted to Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to

1 be from “MaidServe” to “Kyrylo Kutuzov.” The invoice includes a phone number and email
2 address for MaidServe that the company has never advertised.

3 c. On May 17, 2023, Defendants transmitted or caused to be transmitted to
4 Airbnb via an email from Yurov’s email address a fraudulent order summary purporting to be
5 from “Amazon.com” to “Kyrylo Kutuzov.” The purported order summary reflects different
6 order numbers in different parts of the document.

7 d. On May 17, 2023, Defendants transmitted or caused to be transmitted to
8 Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from “Los
9 Angeles Handyman / Affordable Local Handyman Services” to “Kyrylo Kutuzov.” The full
10 description of the services invoiced is “Labor to assemble a new one.”

11 e. On June 18, 2023, Defendants transmitted or caused to be transmitted to
12 Airbnb via an email from Yurov’s email address two fraudulent order summaries purporting to
13 be from “Amazon.com” to “Kyrylo Kutuzov.” The fraudulent order summaries list the billing
14 and shipping addresses as “6400 Shenandoah Ave, Los Angeles, CA 90056”—an address that
15 Defendants falsely claimed to be the location of a City property in order to conceal their illegal
16 short-term rental of the property.

17 f. On June 18, 2023, Defendants transmitted or caused to be transmitted to
18 Airbnb via an email from Yurov’s email address a fraudulent invoice from “Bethel House
19 Cleaner” to “Kyrylo Kutuzov,” listing the false 6400 Shenandoah Ave address. The real
20 business using the name “Bethel House Cleaner” stopped operating in early-2023, before the
21 date reflected on the invoice, and never issued invoices to its customers.

22 g. On July 11, 2023, Defendants transmitted or caused to be transmitted to
23 Airbnb an email from Yurov’s email address embedding a fraudulent invoice from “Edward’s
24 Enterprises Plumbing” to “Kyrylo Kutuzov” at “1243 N Genesee Ave, West Hollywood, CA
25 90046”—an address that Defendants falsely claimed to be the location of a City property in order
26 to conceal their illegal short-term rental of the property. The purported invoice inaccurately lists
27 the address and phone number for the Stoner Recreation Center, a municipal recreation center in
28 West Los Angeles, as the contact information for the company, and does not match the format of

1 real invoices issued by the company. The email to Airbnb also embedded a fraudulent purchase
2 order purporting to be from “Amazon Business” to “Kyrylo Kutuzov,” also bearing the false
3 1243 N Genesee Ave address.

4 h. On August 14, 2023, Defendants transmitted or caused to be transmitted to
5 Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from “All
6 City Hardwood Floors Inc” to “Kyrylo Kutuzov” at “928 N Ogden Dr, West Hollywood, CA
7 90046”—an address that Defendants falsely claimed to be the location of a City property in order
8 to conceal their illegal short-term rental of the property. The invoice incorrectly lists the contact
9 information for a different business, “All Los Angeles Painting Company,” rather than for All
10 City Hardwood Floors, and is not consistent with the format of real invoices from the company.
11 The invoice also uses a comma, rather than a decimal point, to separate dollars and cents (e.g.,
12 “\$450,00” rather than “\$450.00). This format is not used in the United States, but is common in
13 other countries, including in Europe.

14 i. On August 19, 2023, Defendants transmitted or caused to be transmitted to
15 Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from
16 “LimeGreen Water Damage & Restoration” to “Kyrylo Kutuzov” at the false 6400 Shenandoah
17 Ave cover address. The invoice includes an address where the company has never been located,
18 as well as an email address that the company has never used. It also does not match the format
19 of real invoices issued by the company—but is identical to the format of the purported invoice
20 for “All City Hardwood Floors” described above.

21 j. On October 21, 2023, Defendants transmitted or caused to be transmitted
22 to Airbnb an email from Yurov’s email address embedding a fraudulent invoice purporting to be
23 from “Car Parking Management” to “Kyrylo Kutuzov.” The invoice lists the address for both
24 Kutuzov and the company as “2031 E 27th St, Vernon, CA 90058”—an industrial building in
25 Vernon that Defendants falsely claimed to be the location of a City property in order to conceal
26 their illegal short-term rental of the property.

27 k. On November 1, 2023, Defendants transmitted or caused to be transmitted
28 to Airbnb an email from Yurov’s email address embedding a fraudulent order summary

1 purporting to be from “Amazon.com” to “Kyrylo Kutuzov” at the false 928 N Ogden Dr cover
2 address.

3 l. On November 12, 2023, Defendants transmitted or caused to be
4 transmitted to Airbnb an email from Yurov’s email address embedding three fraudulent invoices
5 to “Kyrylo Kutuzov” at the false 928 N Ogden Dr cover address. The fraudulent invoices
6 purport to be from “LimeGreen Water Damage & Restoration,” “GT Remodeling Inc.,” and
7 “Bethel House Cleaner,” respectively. The LimeGreen and Bethel House Cleaner invoices bear
8 the indicia of fraud described above. The GT Remodeling invoice includes a business address
9 that the company moved from over a year before the date reflected on the invoice. The email
10 also embedded a fraudulent order summary purporting to be from “Amazon.com” to “Kyrylo
11 Kutuzov,” also at the false 928 N Ogden Dr cover address.

12 m. On January 6, 2024, Defendants transmitted or caused to be transmitted to
13 Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from
14 “LimeGreen Water Damage & Restoration” to “Kyrylo Kutuzov” at “1143 Summit Dr, Beverly
15 Hills, CA 90210”—an address that Defendants falsely claimed to be the location of a City
16 property in order to conceal their illegal short-term rental of the property. The LimeGreen
17 Invoice bears the same indicia of fraud described above. Defendants also transmitted or caused
18 to be transmitted via the same email a fraudulent order summary purporting to be from
19 “Amazon.com” to “Kyrylo Kutuzov,” also at the false 1143 Summit Dr address. Defendants
20 also transmitted or caused to be transmitted via the same email a fraudulent estimate document
21 purporting to be from “R & S Overhead Doors of South Bay” to “Kyrylo Kutuzov,” also at the
22 false 1143 Summit Dr address.

23 n. On January 12, 2024, Defendants transmitted or caused to be transmitted
24 to Airbnb via an email from Yurov’s email address two fraudulent invoices to “Kyrylo
25 Kutuzov.” The false invoices purport to be from “LimeGreen Water Damage & Restoration”
26 and “Bethel House Cleaner,” respectively. The LimeGreen invoice bears the indicia of fraud
27 described above. In addition to the indicia of fraud described above, the Bethel House Cleaner
28 invoice also reflects a New York City area code phone number that the business never used.

o. On January 24, 2024, Defendants transmitted or caused to be transmitted to Airbnb via an email from Yurov’s email address a fraudulent order summary purporting to be from “Amazon.com” to “Kyrylo Kutuzov” at “1200 N La Brea Ave, West Hollywood CA 90038”—an address that Defendants falsely claimed to be the location of a City property in order to conceal their illegal short-term rental of the property.

p. On January 26, 2024, Defendants transmitted or caused to be transmitted to Airbnb via an email from Yurov's email address a fraudulent invoice purporting to be from "Bethel House Cleaner" to "Kyrylo Kutuzov" bearing the indicia of fraud described above.

q. Also on January 26, 2024, Defendants separately transmitted or caused to be transmitted to Airbnb via an email from Yurov's email address a fraudulent invoice from "GT Remodeling Inc." to "Kyrylo Kutuzov" bearing the indicia of fraud described above.

r. On February 5, 2024, Defendants transmitted or caused to be transmitted to Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from “Edward’s Enterprises Plumbing” to “Kyrylo Kutuzov” at “2113 N Dymond St, Burbank, CA 91505”—an address that Defendants falsely claimed to be the location of a City property in order to conceal their illegal short-term rental of the property. The invoice inaccurately lists the address and phone number for the Stoner Recreation Center, a municipal recreation center in West Los Angeles, as the contact information for the company, and does not match the format of real invoices issued by the company.

s. On February 10, 2024, Defendants transmitted or caused to be transmitted to Airbnb via an email from Yurov’s email address a fraudulent invoice purporting to be from “Edward’s Enterprises Plumbing” to “Kyrylo Kutuzov.” The invoice inaccurately lists the address and phone number for the Stoner Recreation Center, a municipal recreation center in West Los Angeles, as the contact information for the company, and does not match the format of real invoices issued by the company.

FIRST CAUSE OF ACTION

VIOLATION OF UNFAIR COMPETITION LAW

AGAINST ALL DEFENDANTS

(Business & Professions Code §§ 17200, et seq.)

88. The People reallege and incorporate by reference each and every allegation set forth in paragraphs 1 through 87 above as if fully set forth herein.

89. The UCL prohibits any person from engaging in “any unlawful, unfair, or fraudulent business act or practice.” (Cal. Bus. & Prof. Code § 17200.)

90. The UCL also prohibits any unfair, deceptive, untrue or misleading advertising and any act prohibited by the False Advertising Law. (Cal. Bus. & Prof. Code § 17200.)

91. Each Defendant is a “person” within the meaning of the UCL. (Cal. Bus. & Prof. Code § 17201.)

92. At all relevant times, Defendants together comprised an “organization of persons” within the meaning of the UCL, in that they associated together for the common purpose of engaging in a course of unlawful, unfair, and fraudulent business acts and practices as alleged herein.

93. Each Defendant is also a “person” within the meaning of the STR Ordinance.

94. Defendants, by themselves, with each other, and with other persons, have engaged in and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to engage in, unlawful business acts and practices in violation of the UCL, including, but not limited to, the following:

a. Offering, advertising, booking, facilitating, and/or engaging in short-term rental of properties located in the City without valid Home-Sharing Registrations in violation of the STR Ordinance. (LAMC §§ 12.03; 12.22(A)(32)(c)(1)-(2), (d)(1).)

b. Offering, advertising, booking, facilitating, and/or engaging in short-term rental of properties located in the City that are not the primary residences of Defendants or of any other person, and/or that are subject to the Rent Stabilization Ordinance or are otherwise ineligible for legal short-term rental in violation of the STR Ordinance. (LAMC §§

1 12.22(A)(32)(b)(9), (c)(2), (d)(1.)

2 c. Offering, advertising, booking, facilitating, and/or engaging in short-term
3 rental of multiple properties located in the City at one time in violation of the STR Ordinance.
4 (LAMC §§ 12.22(A)(32)(c)(2)(ii)(d), (A)(32)(d)(1).)

5 d. Booking, facilitating, and/or engaging in short-term rental of properties
6 located in the City for more than 120 days in a calendar year without a valid City-issued
7 extended home sharing registration in violation of the STR Ordinance. (LAMC §§ 12.03;
8 12.22(A)(32)(d)(1), (A)(32)(h).)

9 e. Offering, advertising, booking, facilitating, and/or engaging in short-term
10 rental of properties located in the City by use of advertisements that do not clearly list a City-
11 issued HSR Number in violation of the STR Ordinance. (LAMC §§ 12.22(A)(32)(d)(1)-(2).)

12 f. Disseminating to the public or causing to be disseminated to the public
13 false and misleading advertisements in violation of the FAL by fraudulently misrepresenting in
14 public listings on Airbnb.com the locations of properties that Defendants advertised and booked
15 for short-term rental.

16 g. Knowingly and intentionally submitting rental applications containing
17 material misrepresentations to landlords in order to induce landlords to enter into residential
18 leases with Defendants in violation of Penal Code sections 484, 532, 484/640, and/or 532/640.

19 h. Knowingly and intentionally submitting false and fraudulent Aircover
20 forms, invoices, order summaries, and other documents containing material misrepresentations to
21 Airbnb in order to induce Airbnb to pay money to Defendants under the Aircover program in
22 violation of Penal Code sections 484, 532, 484/640, and/or 532/640.

23 95. Defendants, with each other and with other persons, have engaged in and continue
24 to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to
25 conspire to engage in, fraudulent business acts and practices in violation of the UCL, including,
26 but not limited to, falsely representing on Airbnb.com the locations of properties that Defendants
27 advertise and book for short-term rental. Such acts and practices are false and misleading, and
28 have the capacity, likelihood, or tendency to deceive or confuse members of the public.

96. Defendants, with each other and with other persons, have engaged in and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to engage in, unfair business acts and practices in violation of the UCL. Defendants' business acts and practices described herein are immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers, and the harm caused to the public by such acts and practices outweighs any purported utility of Defendants' conduct.

97. Defendants, with each other and with other persons, have engaged in and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to engage in, unfair, deceptive, untrue or misleading advertising in violation of the UCL, including, but not limited to, fraudulently misrepresenting in listings on Airbnb the locations of properties that Defendants advertise and book for short-term rental. Such acts and practices are false and misleading, and have the capacity, likelihood, or tendency to deceive or confuse members of the public.

98. Unless enjoined, Defendants will continue to violate the UCL as described above.

PRAYER FOR RELIEF

Wherefore, the People pray for judgment as follows:

1. That pursuant to Business and Professions Code sections 17203 and 17204 and the equitable powers of the Court, Defendants, and their successors, agents, representatives, employees, and all other persons who act in concert with Defendants, be permanently enjoined from engaging in unfair competition as defined in Business and Professions Code section 17200 et seq., including, but not limited to, the acts and practices alleged in this Complaint;
2. That pursuant to Business and Professions Code sections 17203 and 17204 and the equitable powers of the Court, Defendants, and their successors, agents, representatives, employees, and all other persons who act in concert with Defendants, be permanently enjoined from engaging in short-term rental activity in the City, except as specifically authorized by the STR Ordinance;

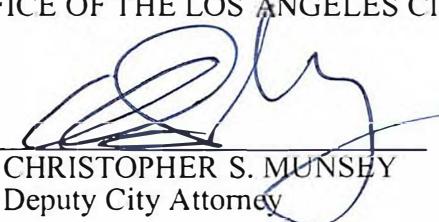
1 3. That pursuant to Business and Professions Code section 17206, Defendants be
2 assessed, and be held jointly and severally liable for, a civil penalty of up to
3 \$2,500 for each violation of the UCL that they committed, caused, aided and
4 abetted, or conspired to commit as described above and as proved at trial, but in
5 an amount not less than \$15 million;
6 4. That the People recover the costs of this action; and
7 5. That the People be granted such other and further relief as this Court may deem to
8 be just and proper.

9
10
11 Dated: June 20, 2024

12 Respectfully submitted,

13 HYDEE FELDSTEIN SOTO, City Attorney
14 MICHAEL J. BOSTROM, Sr. Asst. City Attorney
15 WILLIAM R. PLETCHER, Deputy City Attorney
16 CHRISTOPHER S. MUNSEY, Deputy City Attorney
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19 By:

20 
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22 Deputy City Attorney

23 Attorneys for Plaintiff,
24 THE PEOPLE OF THE STATE OF CALIFORNIA